

Message Text

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15

ACTION EA-14

INFO OCT-01 ADP-00 AGR-20 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08

CEA-02 TAR-02 PA-03 PRS-01 USIA-12 RSR-01 INT-08 L-03

H-02 /175 W

----- 127806

R 220855 Z MAY 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 4039

UNCLAS TOKYO 6346

E. O. 11652: N/A

TAGS: EGEN, ETRD, JA

SUBJ: MINFIN PRESS CONFERENCE ON US/ JAPAN TRADE

SUMMARY: MINFIN AICHI HELD PRESS CONFERENCE FOR AMERICAN CORRESPONDENTS AFTERNOON MAY 21. HE REPORT-EDLY STATED 1973 US TRADE DEFICIT WITH JAPAN WOULD BE BELOW \$2.5 BILLION FIGURE USED BY JAPANESE SIDE AT RECENT WASHINGTON TRADE TALKS. HE PREDICTED ON CUS-TOMS CLEARANCE BASIS JAPAN WOULD BE IN DEFICIT TO US IN MAY. MINFIN NOTED CONCERN THAT GOJ TIGHT MONEY POLICY MIGHT ADVERSELY AFFECT TRADE ACCOUNT. HE REPORTEDLY INDICATED GOJ WOULD TAKE MEASURES TO AVOID SUCH A RESULT. HE URGED US CONTINUE PROMOTE EXPORTS TO JAPAN. END SUMMARY.

1. ON AFTERNOON MAY 21 FINANCE MINISTER AICHI HELD PRESS CONFERENCE FOR AMERICAN PRESS REPRESENTATIVES IN TOKYO. HE REPORTEDLY PREDICTED THAT US DEFICIT IN TRADE WITH JAPAN WOULD DECLINE EVEN FASTER THAN SUGGESTED BY MOST OPTIMISTIC PROJECTIONS TO DATE. HE STATED TRADE GAP WOULD FALL BELOW \$2.5 TO \$2.6
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BILLION FIGURE PUT FORWARD BY JAPANESE SIDE
AT MAY 7 TRADE TALKS IN WASHINGTON. AICHI NOTED
ON GOJ CUSTOMS CLEARANCE BASIS JAPAN'S TRADE SURPLUS
WITH US IN APRIL HAD FALLEN TO \$30 MILLION AND PRE-
DICTED MAY FIGURES WOULD SHOW JAPAN IN DEFICIT ON
TRADE ACCOUNT. HE NOTED THAT CUSTOMS FIGURES NOT
NORMALLY BASIS FOR PROJECTIONS USED BY BOTH SIDES IN
TRADE DISCUSSIONS, BUT STATED FAVORABLE TREND APPARENT
IN OTHER STATISTICS AS WELL.

2. MINFIN REPORTEDLY STATED THAT, WHILE PRESENT TRENDS
FAVORABLE TO US, SOME CONCERN HAD BEEN VOICED THAT
JAPAN'S RECENT SHIFT TO A TIGHT MONEY POLICY MIGHT
HAVE UNFAVORABLE EFFECT ON TRADE ACCOUNT. HE SAID
SUCH CONCERN LEGITIMATE AND ADDED FINANCE MINISTRY
FOCUSING ON PROBLEM. HE SAID GOJ WOULD FOLLOW SELEC-
TIVE APPROACH IN USE OF TIGHT MONEY POLICY TO SEE
THAT IT DID NOT HAVE ADVERSE EFFECT ON TRADE
ACCOUNT.

3. AICHI REPORTEDLY SAID CURRENT TRENDS WOULD MAKE
IT POSSIBLE FOR HIM ATTEND ECONCOM IN EASIER FRAME
OF MIND. HE PREDICTED THAT BY TIME OF ECONCOM
AND TANAKA VISIT TO US TRENDS INDICATING IMPROVEMENT
IN TRADE ACCOUNT WOULD BE EVEN STRONGER THAN AT
PRESENT. HE REPORTEDLY URGED US PUSH EXPORTS TO
JAPAN ON BROAD FRONT RATHER THAN WORRYING ABOUT
QUOTE FEW ITEMS ON WHICH JAPAN STILL MAINTAINS IMPORT
QUOTAS UNQUOTE. HE ADDED THAT, FROM VIEW OF IMPROVING
TRADE BALANCE, IT UNFORTUNATE US HAD NEED TO CURB
EXPORTS OF LUMBER AND LOGS. HE REPORTEDLY SAID
THAT WHILE US HAD TO WAIT QUOTE A LONG TIME UNQUOTE,
MEASURES IMPLEMENTED BY GOJ TO CORRECT TRADE IMBALANCE
NOW TAKING EFFECT. HE ALSO NOTED RECENT MOVE BY GOJ
TO LIBERALIZE DIRECT FOREIGN INVESTMENT.

4. EMBASSY RECEIVED SEVERAL CALLS FOLLOWING PRESS
CONFERENCE FROM AMERICAN PRESS WISHING OBTAIN US
STATISTICS. FROM DISCUSSIONS THAT DEVELOPED FROM
THESE CALLS, EMBASSY OFFICERS EXPECT THAT SEVERAL
STORIES ON FAVORABLE SHIFT IN US/ JAPAN TRADE WILL BE
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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 22 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO06346
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730550/aaaajnb.tel
Line Count: 112
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 26 OCT 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26-Oct-2001 by kuehnbc0>; APPROVED <05-Feb-2002 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 980225
Subject: MINFIN PRESS CONFERENCE ON US/ JAPAN TRADE
TAGS: ETRD, JA, EGEN
To: EA
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005